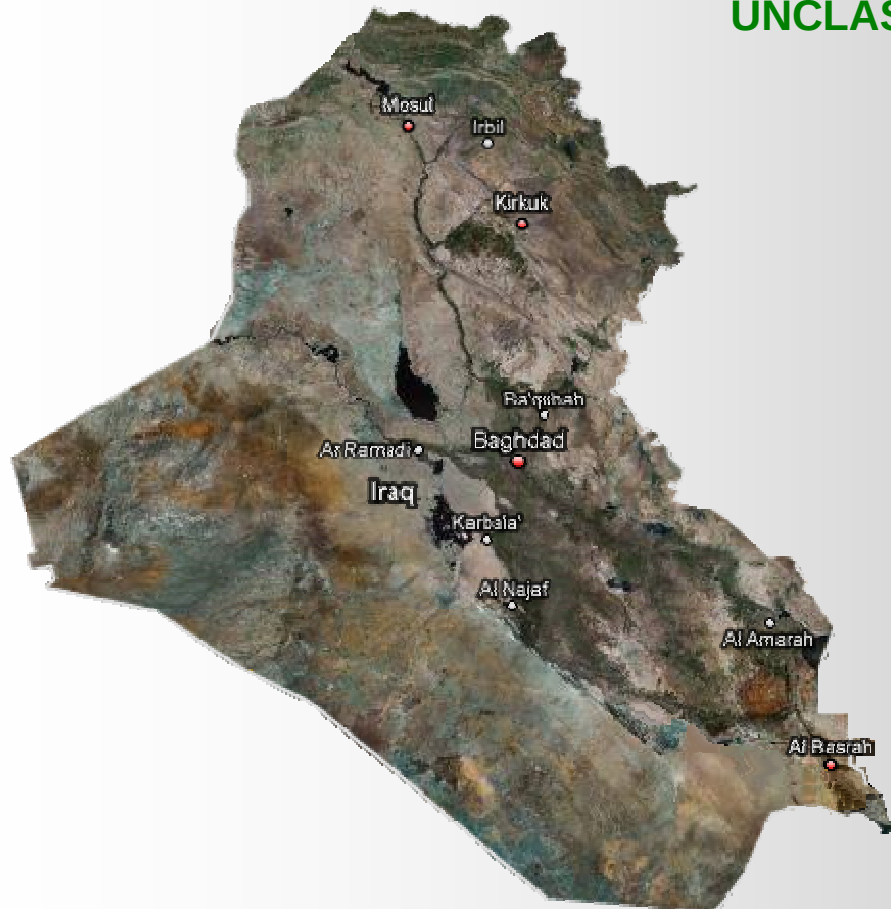


UNCLASSIFIED



Iraq

Status Report

April 29, 2009



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- **Iraqi Minister of Human Rights Pushes for More Aid to War Widows (*POLITICAL*, page 4).**
- **Executives from Google, Twitter, and Others Visit Iraq (*ECONOMIC*, page 14).**
- **Secretary Clinton visits Iraq, Holds Town Hall meeting at Embassy Baghdad (*DIPLOMATIC*, page 18).**
- **Multiple High-Profile Attacks Kill over 140 Iraqis (*SECURITY*, page 19).**

POLITICAL - Governance & Legislation



War widows and minorities continue to face challenges

Iraqi Minister of Human Rights Pushes for More Aid to War Widows:

- While speaking in Washington D.C., Iraq's Minister of Human Rights, Wijdan Mikhail Salim, said that although her ministry is working on improving conditions for women in Iraq, the Iraqi government must do more to aid Iraqi war widows in finding jobs. Some widows do not receive financial assistance from the government; those who do describe the funds as insufficient. Salim said government assistance is just one part of the solution to the problem. She stated, "We need to include them in society by creating jobs for them, not just giving them some money for every month." The minister also pointed out that women, as well as men, need to be educated about women's rights and ways in which women can work for their country.

POLITICAL - Provincial



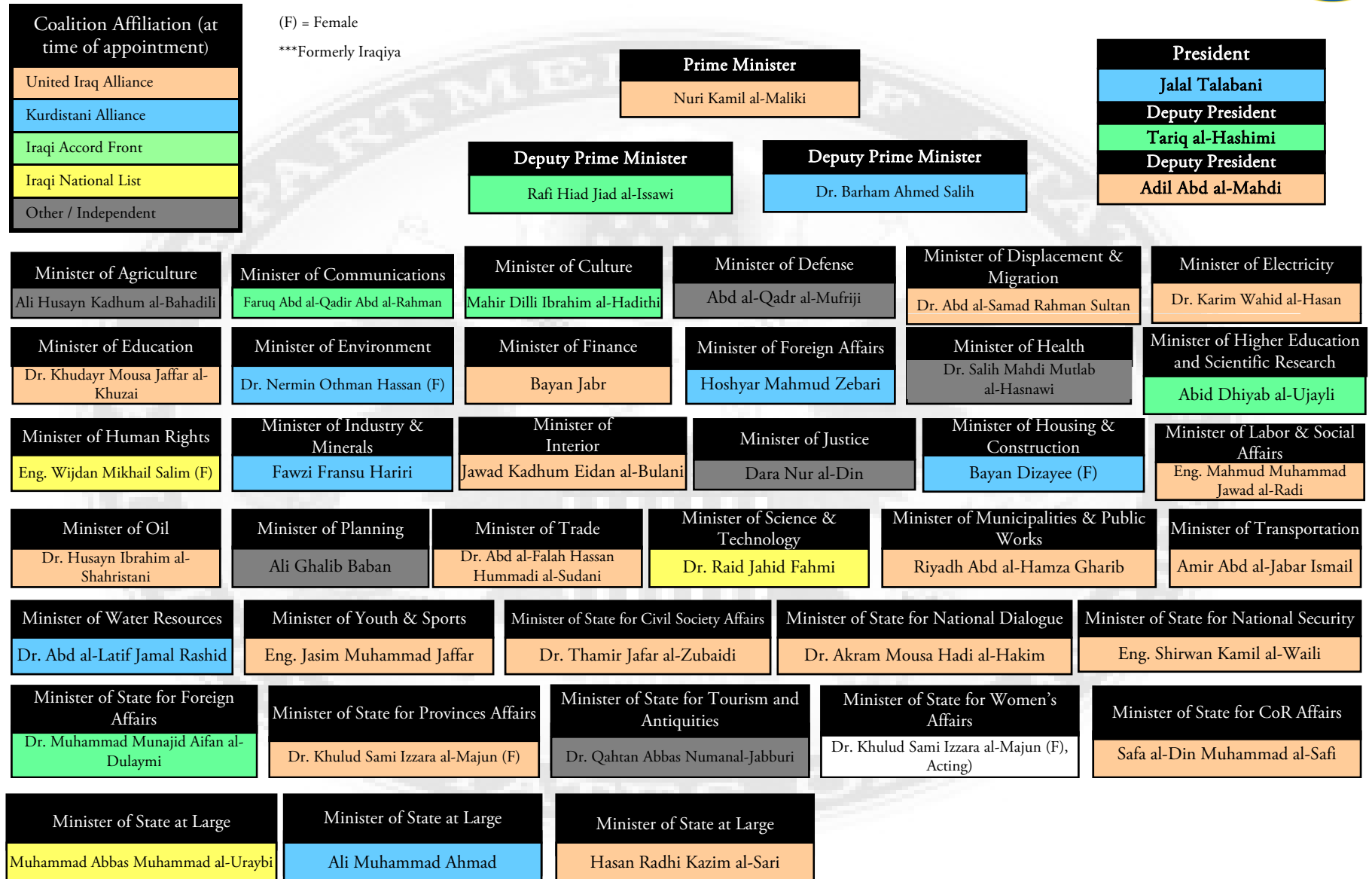
War widows and minorities continue to face challenges

Three Christians Killed in Kirkuk:

- Kirkuk's Chaldean archbishop, Louis Sako, encouraged members of the city's Christian population not to flee after three Christians were killed and two others were wounded April 26. Sako stated, "The main objective of these crimes is to create chaos and promote strife and divisions among the people of Kirkuk. I call on Christians not to be jarred by these crimes and to stay in Kirkuk. We are sons of this city." Abdul Rahman Mustafa, governor of Kirkuk province, also reached out to the Christians of Kirkuk, declaring "We will not stand with our hands behind our backs. We will pursue the wicked people who are trying to stir sectarian strife in Kirkuk. I'm asking Christian families not to fall for this ploy."



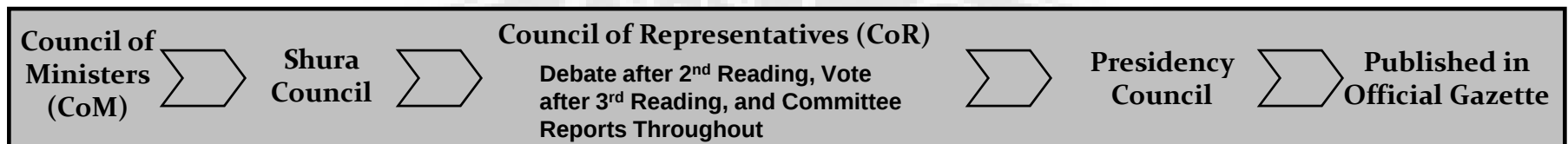
POLITICAL – Government of Iraq



POLITICAL – Key Legislative Issues



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.

POLITICAL - Refugee Update



- Regional governments report hosting as many as 2 million Iraqi refugees.
- The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.
- In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).
- Since the program's inception in FY07, 28,840 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.
- As of March 2009, a total of 375 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).
- As of March 2009, a total of 641 SIVs have been issued for Iraqis since FY08 (under the Section 1244 program).



ECONOMIC – Oil

Oil sector remains active despite absence of new federal laws

Crude Oil Update:

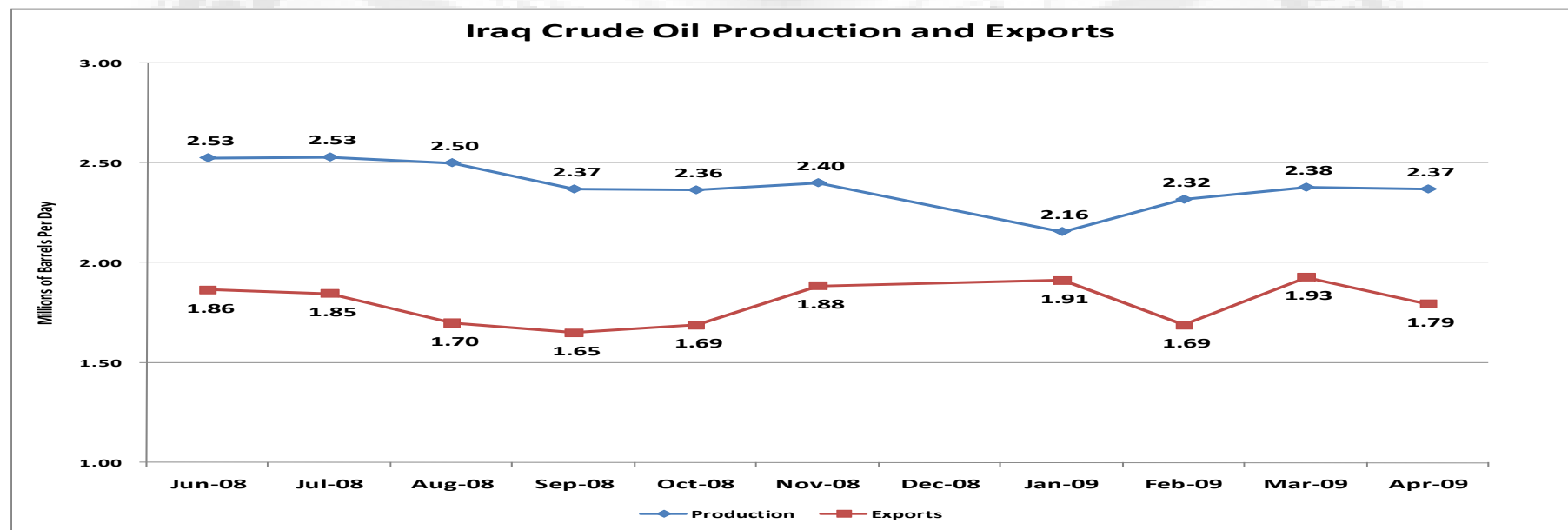
Price averages in world markets closed with the following prices:

Basrah Light at \$48.39/barrel

Dated Brent at \$49.49/barrel

WTI Cushing at \$47.75/barrel

Oman/Dubai at \$49.40/barrel



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion

2009 (ytd): \$9.37 Billion



ECONOMIC – Oil

The first bid round appears to be on track, but it is unclear if any other changes to the Final Tender Protocol will delay awarding licenses

Signature Bonuses for Companies Significantly Increased for First Oil and Gas Bid Round:

- The Ministry of Oil significantly increased the signature bonuses for international oil companies, raising the amount to \$2.6 billion for the six oil and two gas fields put up for tender in Iraq's first bid round. The Final Tender Protocol (FTP) shows a range of increases from \$200 million for both the Akkas and Mansouriya gas fields to \$500 million for the super giant Rumaila oil field. The bonuses for Kirkuk and West Qurna phase 1 are both \$400 million and \$300 million for Zubair, Maysan, and Bai Hassan. In a previous draft of the protocol, companies were to pay signature bonuses of \$10 million for crude oil and gas output up to 100,000 barrels per day, and \$50 per barrel for every additional barrel produced. The FTP and model contracts were sent to oil companies April 23 after the ministry made changes to the previous drafts, according to a covering note attached to the documents which was signed by Natiq al-Bayati, the director general of the ministry's Petroleum Contracts and Licensing Directorate.



ECONOMIC – Oil

The first bid round appears to be on track, but it is unclear if any other changes to the Final Tender Protocol will delay awarding licenses

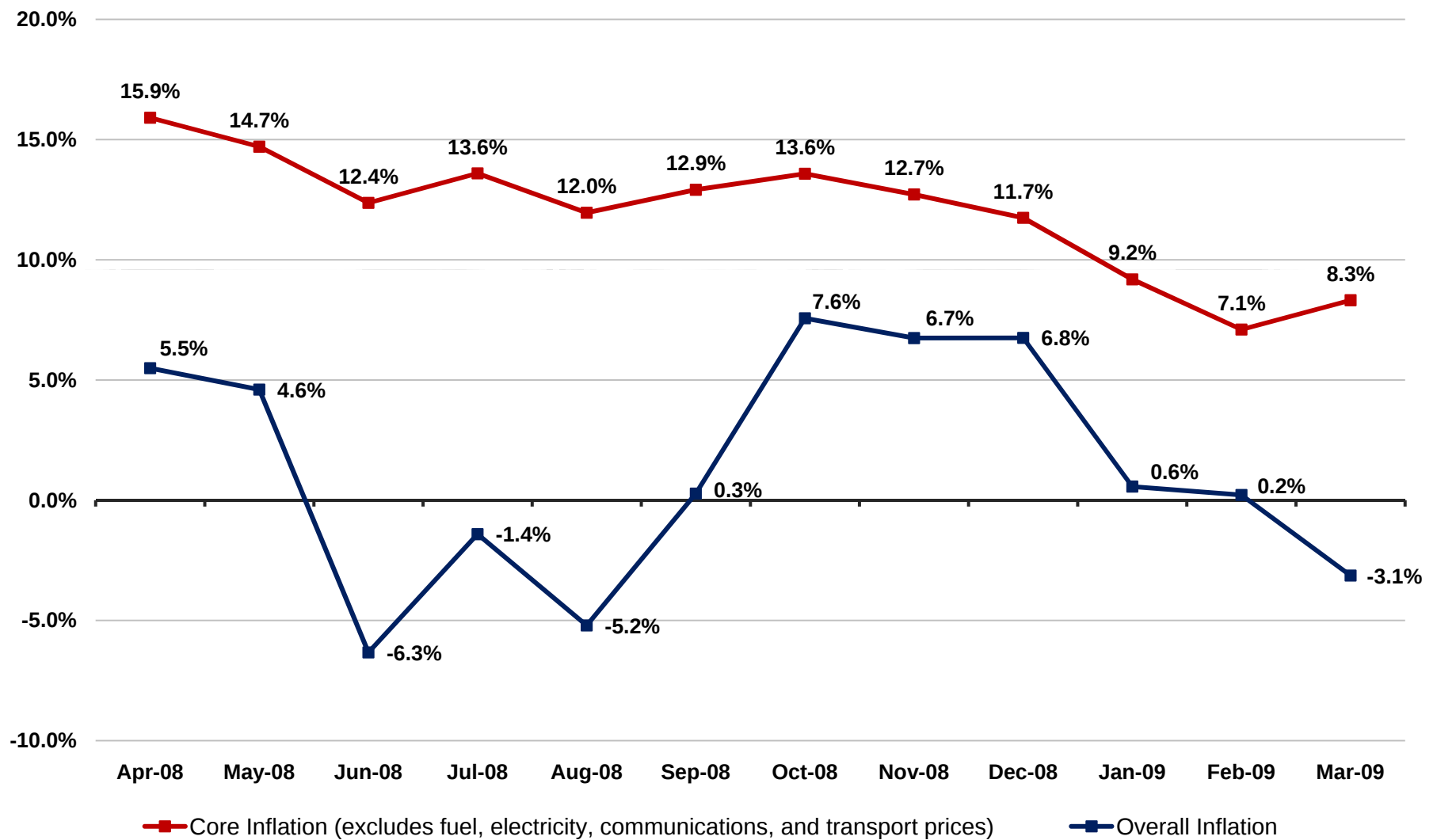
Iraq and Iran Agree to Build Pipeline (Again):

- Iran's official news agency IRNA announced April 23 that Iran and Iraq have agreed to build a pipeline that will feed Iraqi crude oil to an Iranian refinery. Iran's deputy oil minister, Nouredin Shahnazizadeh, said the proposed 32-inch pipeline will feed 50% of the crude to be processed at Iran's Abadan refinery. The plant, which was destroyed during the Iran-Iraq war but later rebuilt, has a daily output capacity of 430,000 barrels per day. This is not the first time Iran has announced an agreement. Iraq and Iran discussed this issue in 2004 and 2006, but the pipeline was never constructed.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Sound economic policies will help ensure Iraq maintains security and stability

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$53.85	\$50.05	\$48.74	\$66.08
Yield	12.07%	12.47%	13.28%	9.95%



ECONOMIC – Private Sector

Bringing innovative technology to Iraq may help Iraq draw more foreign investment to the country at time when many countries and companies are eyeing opportunities in Iraq

Executives from Google, Twitter, and Others Visit Iraq:

- Top executives from Google Inc, AT&T Inc, Twitter and other high tech companies visited Iraq on a visit hosted by the U.S. Department of State. The executives highlighted the point that while only 5% of Iraqis have PC internet connections, the type of technology in Iraq was, in their view, “passé.” Nearly 85% of Iraqis have cellular phones and have technology which could be adapted for web use via SMS or text messaging technology. “While there are many challenges and there is definitely a long way to go for Internet access, we were very impressed at how many Iraqis, there is near ubiquity, use mobile phones,” said Richard Robbins, director for social innovation at AT&T. “While networks are still emerging, there is a huge amount of capability for using mobile phones and text messaging for communication, for interacting among citizens and for government and NGOs to interact with citizens,” Robbins added. Iraq’s telecommunications networks have however experienced technical difficulties in the last two months.

ECONOMIC – Private Sector



Bringing innovative technology to Iraq may help Iraq draw more foreign investment to the country at time when many countries and companies are eyeing opportunities in Iraq

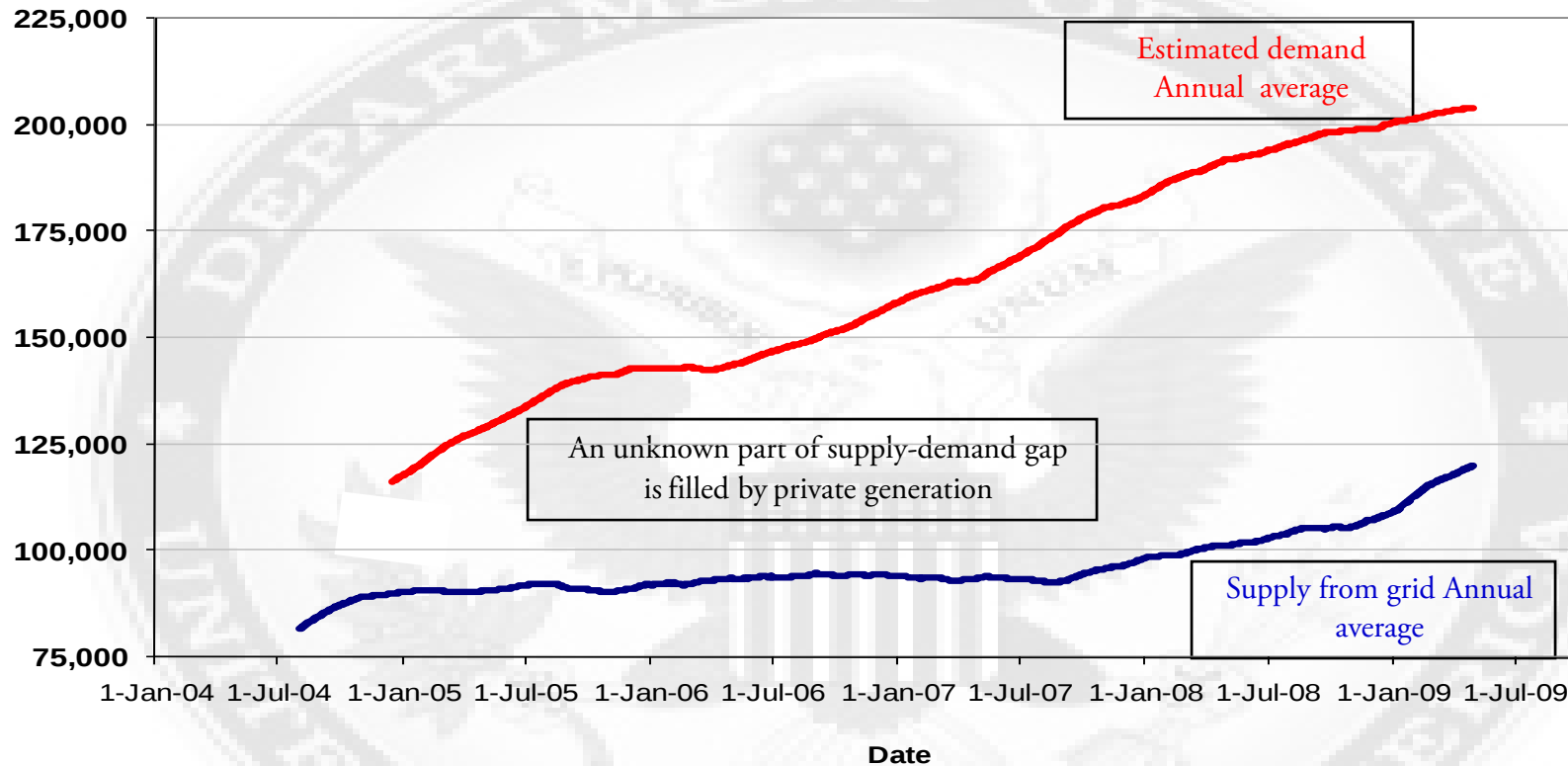
Representatives from Malaysian Trade Corporation Meet with Iraqi Investment Officials:

- **Dzulkifli Mahmud from the Malaysia External Trade Development Corporation stated that trade between Malaysia and Iraq is expected to increase by over 20 % in 2009. After he held a meeting with officials from Iraq's Al-Muthanna Investment Commission, Mahmud told reporters that “Malaysian companies have to start looking at this market [the Iraqi market] which is slowly stabilizing.” According to Mahmud, Malaysian products with the potential for the Iraqi market include: furniture, food products, disposable medical items and automotive parts. Trade between Malaysia and Iraq last year amounted to \$211.04 million.**



Public Services – Electricity

GOI needs to strengthen policy actions to manage demand and usage patterns



- Daily electricity supply from the grid for April 22-28 was 23% above the year-earlier period and met 67% of estimated demand compared with 53% for the year-earlier period.
- During the first four weeks of April, feasible (potentially available) generating capacity increased by more than 1,000 MW. 90% of the increase resulted from the rehabilitation of existing thermal, hydroelectric and combustion turbine generating units.

Beyond Baghdad



Iraq National Symphony Orchestra
plays the Ziggurat of Ur

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

Babil

Three Iraqi businessmen have won lucrative contracts in Babil for various projects that include production of construction materials, Oxygen and Nitrogen gas production, and a mineral water factory. More contracts are under review by the Babil Investment Commission.

Salah ad Din

The As Sharqat Bridge has opened in Salah ad Din. This will greatly improve travel times in the area, as well as increasing freedom of movement in northern Salah ad Din. Security and traffic will be coordinated by Iraqi Army, police and the Sons of Iraq (SOI).

Anbar

Iraqi agricultural specialists from Anbar have returned from a recent trip to California where they visited California State University at Fresno. While there, the specialists were instructed in new irrigation techniques, high saline soil farming, and integration with the dairy industry. A memorandum of understanding was reached with Fresno and Anbar University establishing a working relationship between the two educational centers.

Dhi Qar

Maestro Karim Wasfi conducted the Iraq National Symphony Orchestra in a concert at the Ziggurat of Ur in Dhi Qar. This concert was the second to be held in recent weeks. Select works from Verdi, Beethoven, and Weber were played before an audience of 600 people.

DIPLOMATIC – Political Engagement



Warming Iraqi-Saudi relations complement the first visit to Baghdad by Secretary Clinton

Iraq's Ambassador to Saudi Arabia Presents His Credentials:

- Iraq's Ambassador-designate to Saudi Arabia, Dr Ghanim Alwan Jawad al-Humeili, presented his credentials to Saudi Foreign Minister, Prince Saud al-Faisal April 25. Al-Humeili was previously the Iraqi Ambassador to Japan.

Secretary Clinton Visits Baghdad, Holds Town Hall Meeting:

- Secretary of State Hillary Clinton made her first trip to Iraq as Secretary of State April 25, where she was welcomed by the new U.S. Ambassador to Iraq, Christopher Hill and Chairman of the Joint Chiefs of Staff Admiral Mike Mullen. Secretary Clinton held a number of meetings with high level Iraqi officials and attended a town hall meeting at the U.S. Embassy in Baghdad, where she reiterated U.S. support for Iraq's security. Secretary Clinton reassured the Iraqi government that despite the drawdown of U.S. Forces, Iraq remains a high priority. "We are very committed, but the nature of our commitment may look somewhat different because we are going to be withdrawing our combat troops over the next couple of years," Secretary Clinton told the audience.



SECURITY – Situation Update

High-profile attacks kill over 150 but fail to ignite sectarian violence as Iraqis reject terrorist tactics

Multiple High-Profile Attacks Kill over 140 Iraqis:

- **A series of recent high-profile attacks killed over 120 Iraqis and wounded over 200. To date, these attacks have failed to reignite a cycle of sectarian violence, and Iraqis are united in condemning those who conducted them. On April 23, a female suicide bomber detonated herself at a food distribution point in Baghdad's Karada district, killing 28 and wounding 50. The same day, in Muqdadiyah in Diyala province, a bomb exploded in a restaurant, killing 47 and wounding 70. On April 24, two suicide bombers – at least one of whom was a female – killed over 50 Iraqi civilians and wounded over 110 outside the Kadimiyah Shrine in northern Baghdad. The attacks continued on April 29 when two car bombs exploded in Baghdad's Sadr City, killing over 15.**



SECURITY – Situation Update

High-profile attacks kill over 150 but fail to ignite sectarian violence as Iraqis reject terrorist tactics

MNF-I Commander Says AQI Cannot Sidetrack Progress:

- Although AQI is succeeding in launching the recent high-profile attacks in Iraq, it cannot succeed in stopping progress, the commander of Multi-National Force – Iraq (MNF-I) General Odierno said April 24. General Odierno commented, “Obviously, anything that kills a lot of innocent civilians is something we are very concerned about, but I would tell you that the people of Iraq are resilient. They continue to reject al-Qaida. The people abhor the killing of innocent civilians, pilgrims who are here to pray.” Despite these few high-profile attacks, overall attack numbers remain low, but do raise concerns about the fragility of Iraq’s security situation. General Odierno said. “Because the security has improved so much, the Iraqis are trying to make it easier to have freedom of movement in Baghdad. [Terrorists] take advantage of that.” General Odierno added that AQI is attempting to turn back the clock and incite sectarian violence. He said “The important thing is that the Iraqis are not talking about sectarian violence. They are talking about rejecting the individuals who are conducting the attacks. Al-Qaida is not getting the response they want.”



SECURITY – Security Transition

U.S. security transfers continue to increase ISF capabilities

5,000th M1114 HMMWV Transferred to ISF:

- April 22 marked a milestone in U.S.-Iraqi security relations with the transfer of the 5,000th M1114 HMMWV to the Iraqi Security Forces. The vehicles enable both the Iraqi Police and the Iraqi Army to provide greater security and stability to the Iraqi people. The two-year M1114 Transfer Program employs over 521 Iraqis from across the country and demonstrates the cooperation and partnership between the United States and the Government of Iraq (GOI). The program's goal is to deliver over 8000 M1114 HMMWV's to the GOI by July 2009.

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Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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